

Overview of your Consumer Directed HealthSelect health savings account (HSA)



Agenda

Making the most of your account

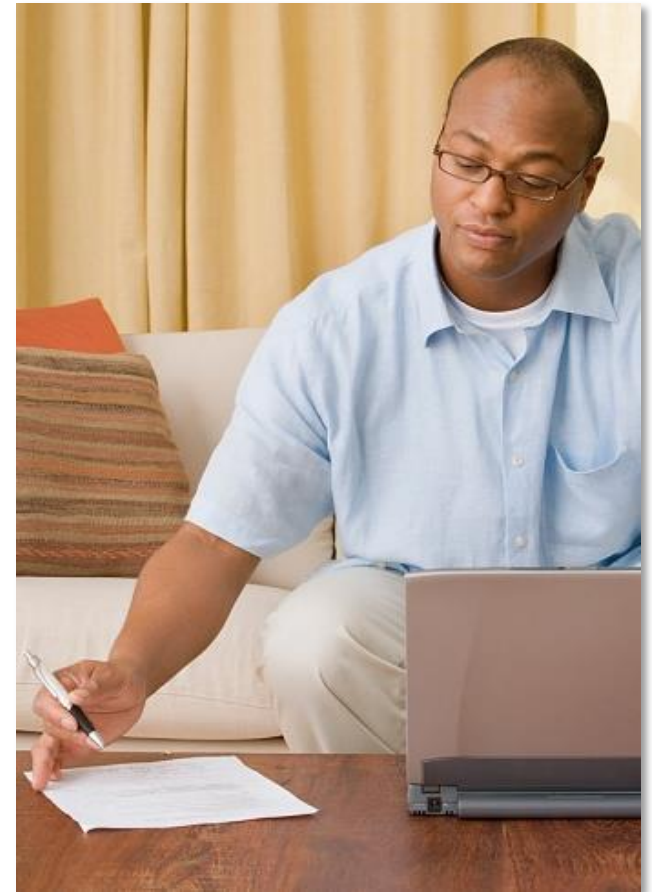
Qualified medical expenses

Making deposits to your account

Managing your HSA online

Common questions

Where to go for help



Investments are not FDIC insured, are not guaranteed by Optum Bank®, and may lose value.

What is an HSA?

Health savings accounts (HSAs) are designed to help you save and pay for qualified medical expenses



Deposit money into your HSA.



Save on taxes.



Use your HSA to pay for qualified medical expenses.

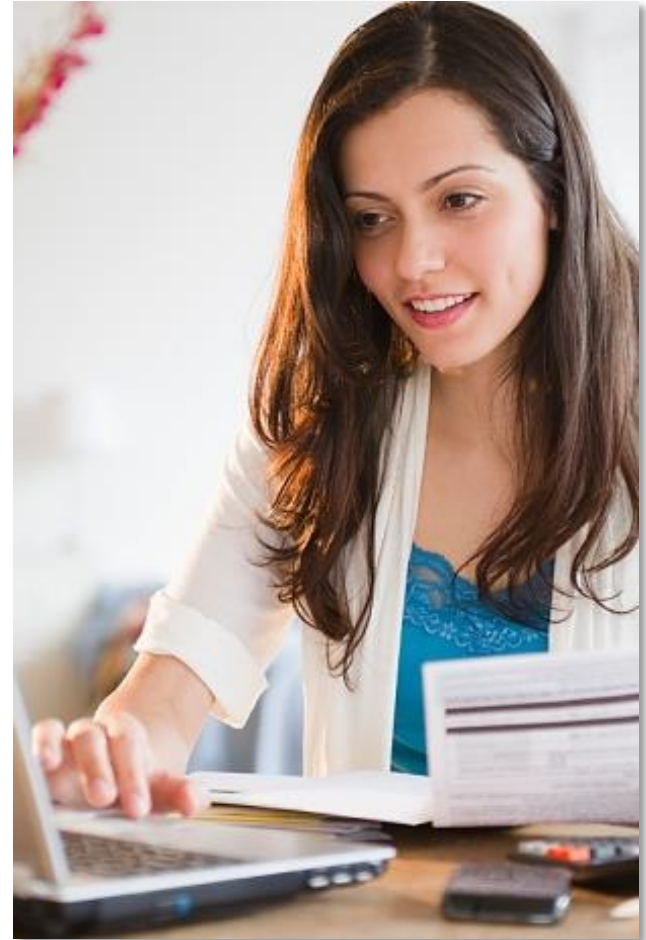


Invest your savings in mutual funds.

Investments are not FDIC insured, are not guaranteed by Optum Bank[®], and may lose value.

What you need to know about an HSA

- You're in charge of managing your HSA
- Annual contribution limits are set by the IRS
- The State of Texas, as your employer, will make a monthly deposit to your Optum Bank HSA
- Deposits can be made at any time and are available immediately
- All deposits up to the annual IRS limit are income tax-free
- Withdrawals made for qualified medical expenses are not subject to income tax



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HSA eligibility

You are eligible to open and contribute to an HSA if:

- You are covered by an HSA-qualifying high-deductible health plan (HDHP)
- You are not covered by any other health plan that is not a high-deductible plan
- You are not enrolled in Medicare, TRICARE or TRICARE for Life
- You are not claimed as a dependent on someone else's tax return
- You are not covered by a health care flexible spending account (FSA)
- You have not received Veterans Administration (VA) benefits within the past three months, except for preventive care. If you are a veteran with a disability rating from the VA, this exclusion does not apply.



Before enrolling in Consumer Directed HealthSelect, make sure you're eligible participate in an HSA.

Contribution limits

Amount of contribution

The IRS decides how much can be deposited into your HSA each year.

Contribution rules

In Calendar Year 2018, up to **\$3,450** for individual coverage and up to **\$6,900** for family coverage can be contributed. In Calendar Year 2019, the limit for individuals increases to **\$3,500** and the limit for families increases to **\$7,000**.

Employer contribution

In Plan Year 2019 (September 1, 2018 – August 31, 2019), the State of Texas will contribute to your HSA: \$45/month for individuals, \$90/month for families. The state's contribution is applied toward the maximum that can be deposited in your account for the year.

Additional contribution

Those 55 years of age or higher, but not yet enrolled in Medicare, can fund an additional \$1,000/year “catch-up” contribution.

Using your HSA funds

Use your HSA funds now, or save for the future

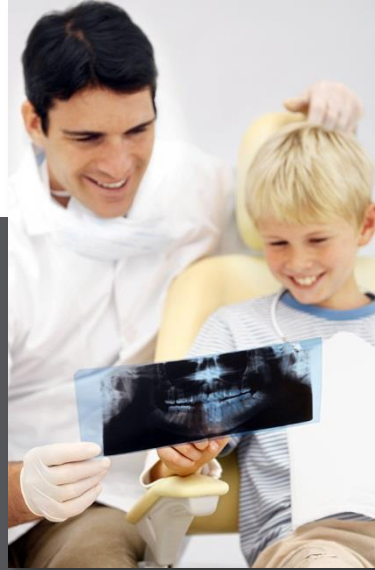
- Use the funds in your HSA
- Build balances to cover your HDHP deductible
- Save for the future and grow funds tax-free



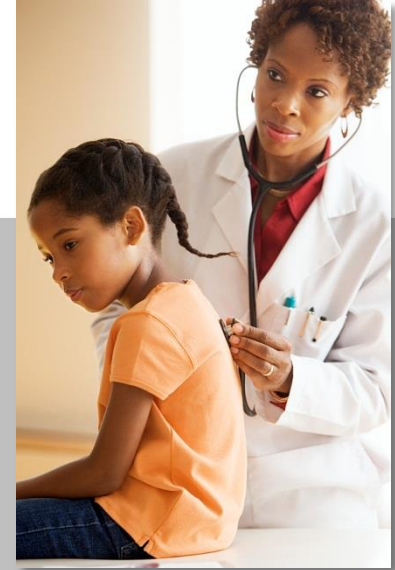
HSA-qualified medical expenses



Medical plan
deductibles and
coinsurance



Medical, dental
and vision care
services and products



Qualified medical,
dental and vision
expenses for
your spouse
or dependents

Other HSA-qualified medical expenses

Health coverage while receiving unemployment benefits

COBRA continuation coverage

Qualified long-term care

Medicare premiums and out-of-pocket expenses



Paying for non-qualified expenses

Any HSA funds used for purposes other than to pay for qualified medical expenses are:

- Taxable as income
- Subject to a 20% tax penalty*

* The 20% tax penalty does not apply to account holders age 65 and older, those who become disabled or enroll in Medicare



How to make deposits into your HSA

Payroll deduction

Contribute through payroll deduction and save on FICA taxes
(This applies to active employees only. Retirees cannot make payroll deductions to their HSAs, but can contribute to their accounts as noted below.)

Contribute online

Arrange a one time or recurring electronic transfer from an account at another financial institution

Mail a check

Deposit additional dollars into your account by mailing in a check

You can make HSA deposits until April 15 in order to realize tax savings for the prior year

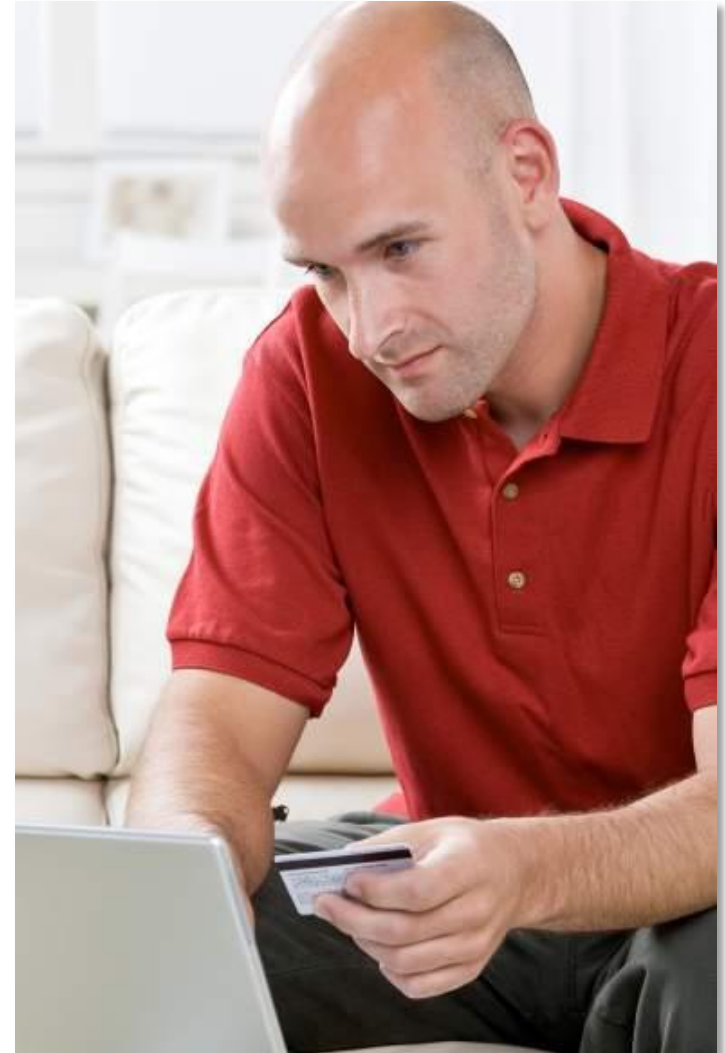
Access your HSA funds

Use your Optum Bank® Health Savings Account Debit MasterCard®

Sign up for automatic bill pay and online banking

Use HSA checks for this account

Pay for an expense with personal funds and reimburse yourself from your HSA



Save your receipts!

- Save your receipts for all qualified expenses
- Track bill payments, reimbursements and out-of-pocket expenses with an expense journal
- Optum Bank® does not track your expenses or verify eligibility



Managing your HSA online

- See all your current balances at once in dashboard view
- Reimburse yourself
- Pay medical bills
- Track bill payments, reimbursements and out-of-pocket expenses with Optum Bank's expense journal
- View, pay and store claims
- Manage your contributions
- Get answers to frequently asked questions
- Connect with customer support
- Find forms and investment tools

The screenshot shows the Optum Bank HSA online dashboard. At the top, there's a navigation bar with links for Finances Dashboard, Accounts, Payments, Contributions, Investments, Help & Tools, and Settings. A greeting "Hi Michael!" is displayed. Below this, there's a "I want to..." section with buttons for View Transactions, Reimburse Myself, Manage Beneficiaries, Make a Payment, Make a Deposit, Manage Investments, Statements & Docs, Manage Debit Cards, and More Useful Links. The "Accounts" section shows "All Accounts" with a total balance of \$1,041.94. It lists an HSA account with an available balance of \$6.61 and an HSA Investments account with a current value of \$1,035.33. A "Links" section includes a "Health Savings Check Up" link. A "Maximize Your tax Savings" banner is also present. The "Needs Your Attention" section states "No items need your attention." The "HSA" section provides a "Balance Summary as of May 10, 2017" with a table showing Current Balance (\$6.61), Current Value (\$1,035.33), Cash Balance (\$6.61), and Available Balance (\$6.61). It also shows a "Contributions" section with a pie chart indicating \$3,400.00 contributed so far out of a \$3,400.00 limit. A table shows Total Contributions (\$0.00), Contribution Limit (\$3,400.00), and Left to contribute (\$3,400.00). A "Loading investments summary..." message is at the bottom.

Item	Amount
Current Balance	\$6.61
Current Value	\$1,035.33
Cash Balance	\$6.61
Available Balance	\$6.61

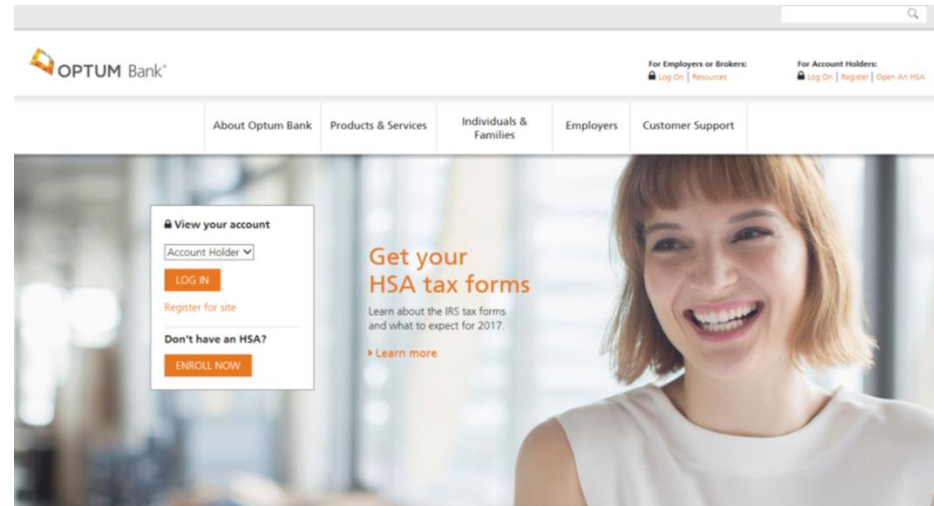
Item	Amount
Total Contributions	\$0.00
Contribution Limit *	\$3,400.00
Left to contribute *	\$3,400.00

* These are estimated amounts that could be different depending on your individual situation. Displayed limits assume a full year of eligibility and are based on the coverage type we have on file for you; please visit the calculator page to view/manage your coverage type.
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What to expect as a new account holder

- Optum Bank® Welcome Kit will be mailed shortly after you are successfully enrolled in an HSA
- Debit card will arrive in a separate mailing
- HSA materials are mailed separately from health plan materials
- After logging in to your account for the first time, you will be prompted to provide your email address. You'll receive an Optum Bank quarterly newsletter with tips for helping you to make the most of your health care dollars



April 18 tax deadline is almost here.

We are here to help you get ready for tax season. Check out our resources.

[LEARN MORE](#)

Start saving for your health care today.

If you currently have a qualifying high-deductible health plan (HDHP), you may be eligible to enroll in an HSA.

[ENROLL NOW](#)

HSA 101: Educational tips and tricks.

Find out how to make deposits, grow your funds, pay for qualified medical expenses and save on taxes.

[LEARN MORE](#)



Common questions

Can I open a health savings account at any time during the year?

Yes. You can open an HSA at any time, as long as you are covered by Consumer Directed HealthSelect

But it's a good idea to open your Optum Bank HSA as soon as possible so you can start getting the state's contribution with your first paycheck of the new plan year (October 1)

Can I take the funds in my HSA with me if I leave the company?

Yes. Funds in your HSA belong to you, including any contributions that your employer or anyone else has made

Am I required to contribute a specific amount each year?

No. You can contribute as much as you'd like up to the IRS maximums. Many people base their contributions on the annual deductible required by their HDHP

Do I need to use all of the funds in my HSA during the year?

No. HSA plans are not subject to IRS "Use It or Lose It" regulations. This means that funds in the account continue to accumulate over time

What if you have more questions?

Call Optum Bank customer
service (866) 234-8913

Visit optumbank.com

Talk to your employer



Health savings accounts (HSAs) are individual accounts offered or administered by Optum Bank®, and are subject to eligibility and restrictions, including but not limited to restrictions on distributions for qualified medical expenses set forth in section 213(d) of the Internal Revenue Code. Fees may reduce earnings on account. State taxes may apply. This communication is not intended as legal or tax advice. Please contact a competent legal or tax professional for personal advice on eligibility, tax treatment and restrictions. Federal and state laws and regulations are subject to change. Optum Bank is not a broker-dealer or registered investment advisor, and does not provide investment advice or research concerning securities, make recommendations concerning securities, or otherwise solicit securities transactions. Orders are accepted to effect transactions in securities only as an accommodation to HSA owner.

